

Hanatour Q1 FY2023 Earnings Performance

MAY 2023



Disclaimer

This document presents preliminary operating results based on consolidated standards prepared in accordance with Korean International Financial Reporting Standards (K-IFRS).

The financial results and business performance contained herein are provided for investor convenience, as external audit by auditors for Hanatour and its subsidiaries has not yet been completed.

We advise investors not to base their investment decisions solely on the information contained in this document and declare that investment responsibility rests solely with the investor.



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(Consol. and Sep.)

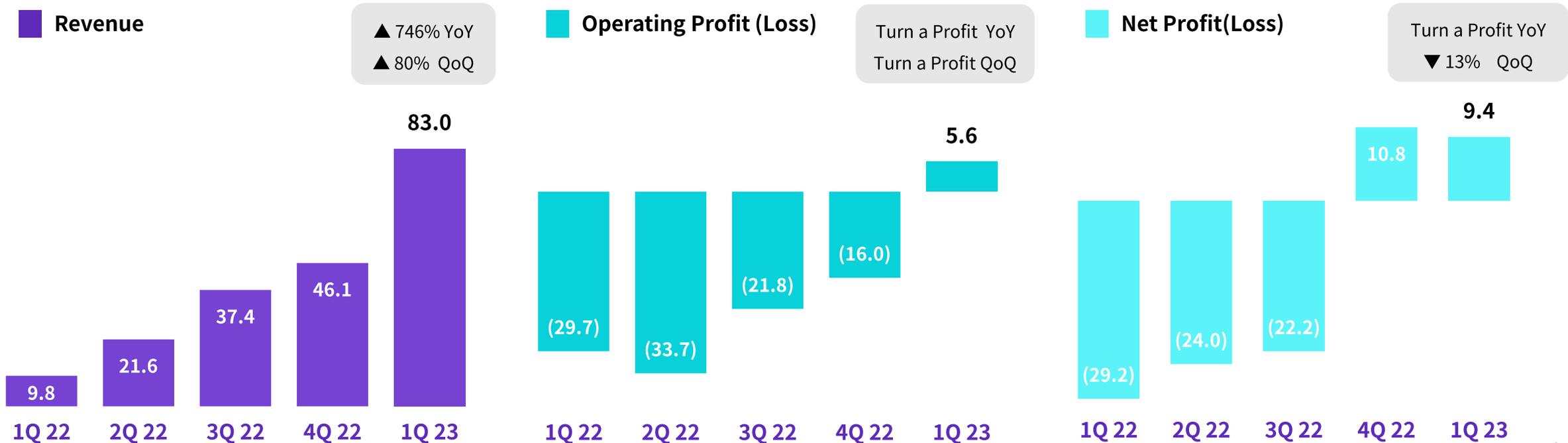


Revenue and Profit

- In Q1, operating revenue increased by 746% YoY and by 80% QoQ, reaching KRW 83 bn, the highest quarterly revenue since the outbreak of the Covid pandemic (Q2 2020).
- Operating profit reached KRW 5.6 billion and turned profitable for the first time in about 3 and a half years, since Q3 2019 before the pandemic. This is also the highest quarterly performance since Q2 2019.
 - » This was attributed to 1)the recovery trend of overseas tourism starting from Q4 last year, 2)the high season effect in Q1, 3)cost-efficiency improvements, and 4)the increase in online sales resulting from our improved online capabilities.
- Non-operating income amounted to KRW 3.9 bn, consisting of interest income, debt exemption income (expiration of prepayment forfeiture), and exchange rate effects

Revenue & Operating Profit (Loss)

1Q 22 – 1Q 23, billion KRW





Operating Expenses

- In Q1, total operating expenses increased by 24% QoQ, reaching KRW 78.4 bn, mainly due to the increase in variable costs in accordance with operating performance improvement.
- Sales commission recorded 15.5 bn, a 76% QoQ increase, due to an increase in package tour customers.
 - » Thanks to the increase of online proportion in package sales, the commission rate is maintained at 6% of the GMV, a similar level to the previous quarter.
- Purchase cost recorded 8.6 bn, a 500% QoQ increase, due to higher purchasing volumes of flights and hotels for the Lunar New Year holiday season.
- Labor cost recorded 25.4 bn, a 9% QoQ increase, due to natural growth from regular salary increases and a headcount increase at major subsidiaries (Hanatourist and Yuai Kanko Bus (JP)).

Breakdown of Operating Expenses

1Q 2022 – 1Q 2023, billion KRW



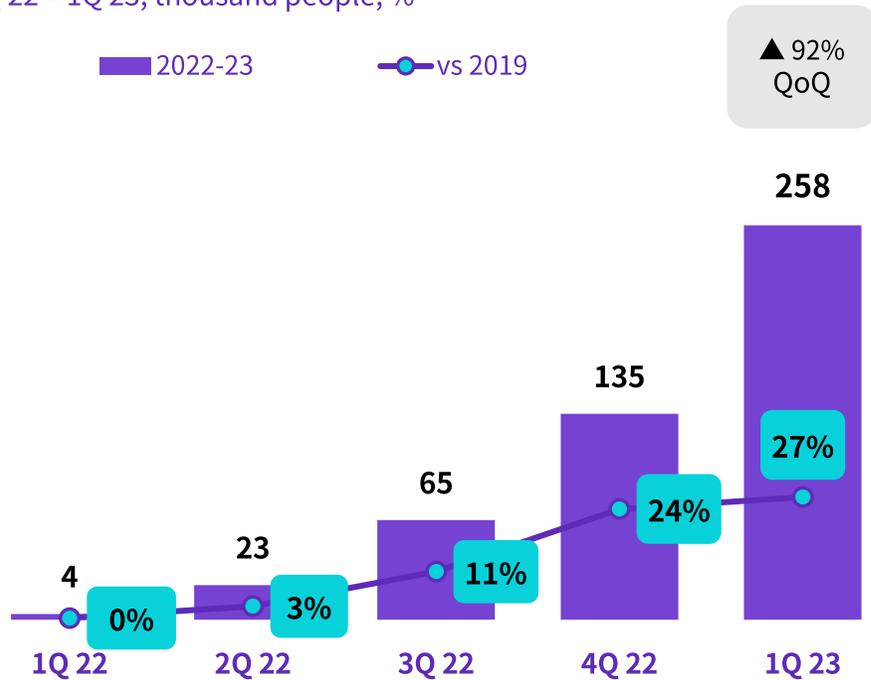


Customer and GMV Trends for Package Tours

- In Q1, the number of package tour customers increased by 92% QoQ and recovered to a level of 27% compared to Q1 2019 before the pandemic.
 - » With the recovery of overseas tourism that began in earnest from Q4 and the high season effect in Q1, the number of package tour customers significantly increased.
- In Q1, GMV increased by 73% QoQ and recovered to a level of 43% compared to Q1 2019.
 - » Due to the strong demand for mid-to-high-priced package tours and an increase in package tour costs, the recovery rate of GMV was higher than that of the number of package tour customers.

Customer Trend for Package Tours

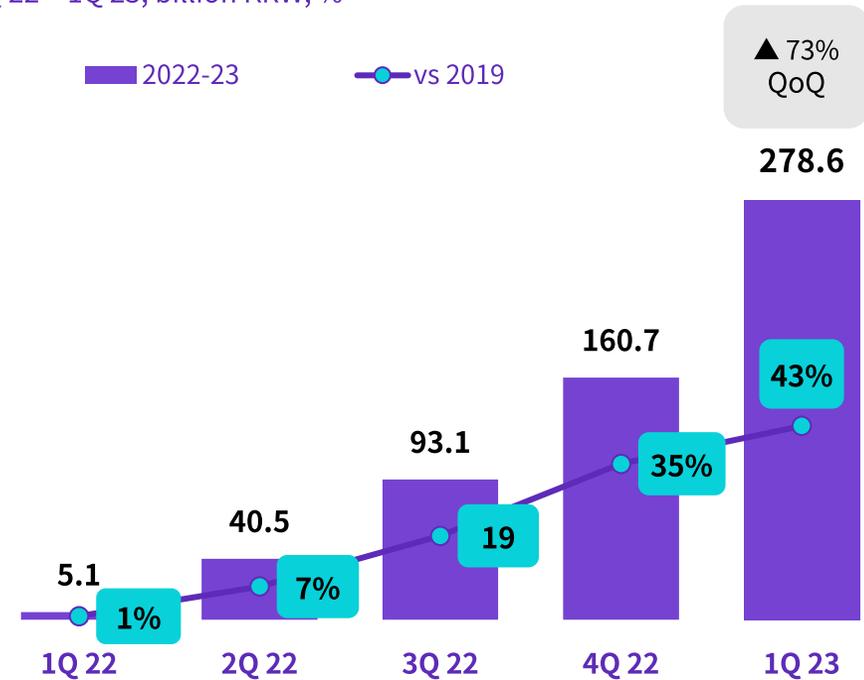
1Q 22 – 1Q 23, thousand people, %



(Source: Hanatour)

GMV Trend for Package Tours

1Q 22 – 1Q 23, billion KRW, %



(Source: Hanatour)

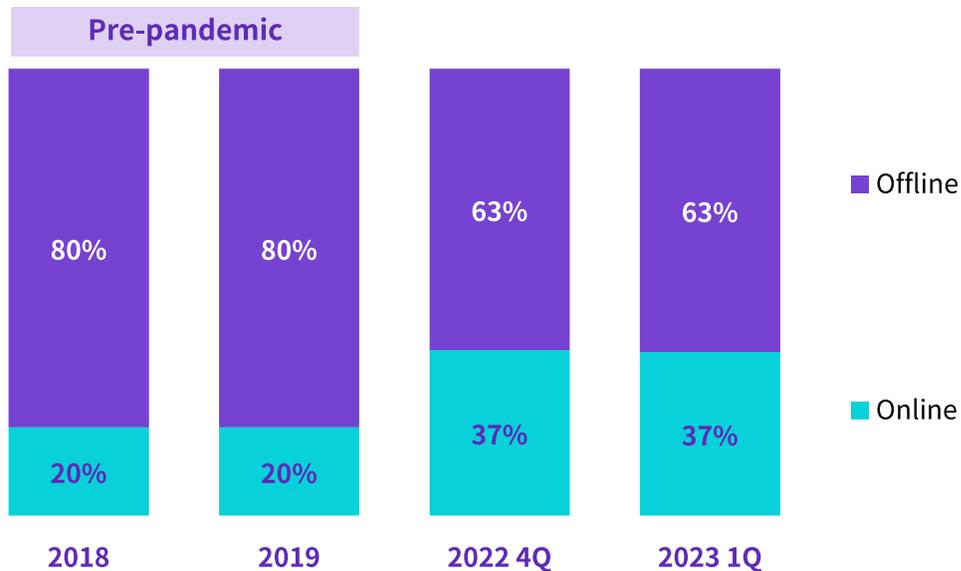


Channel Distribution of Package Tours

- The proportion of sales through online channels has significantly increased compared to pre-pandemic years, due to strengthened online capabilities.
- In Q1 2023, the proportion of package tours sold through online and offline channels based on the number of customers and GMV were 37:63 and 35:65, respectively.
- Before the pandemic (2018 and 2019), the proportion of online and offline channels for both the number of customers and GMV was about 20:80.

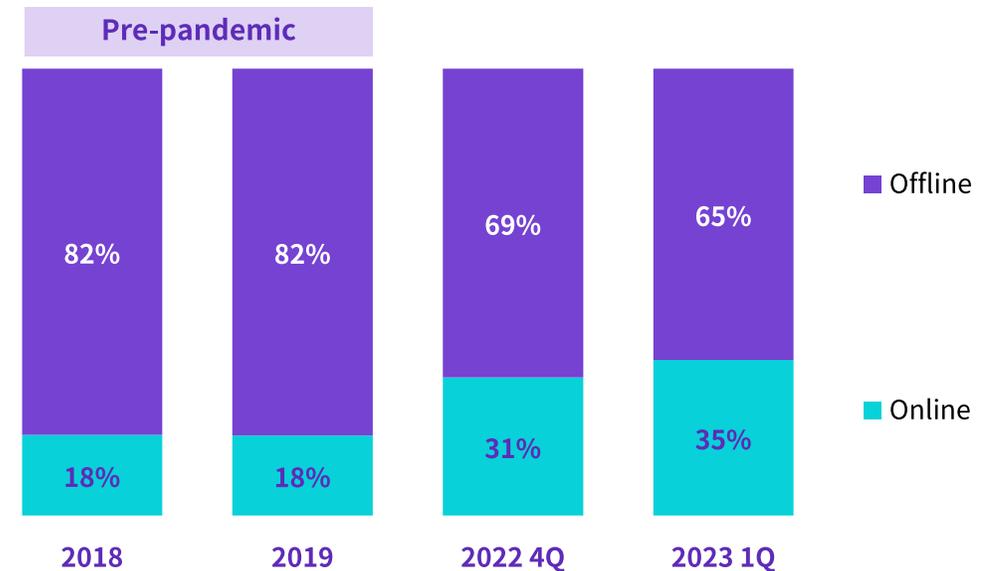
Customer Breakdown by Channel

2018 ~ 1Q 23, %



GMV Breakdown by Channel

2018 ~ 1Q 23, %



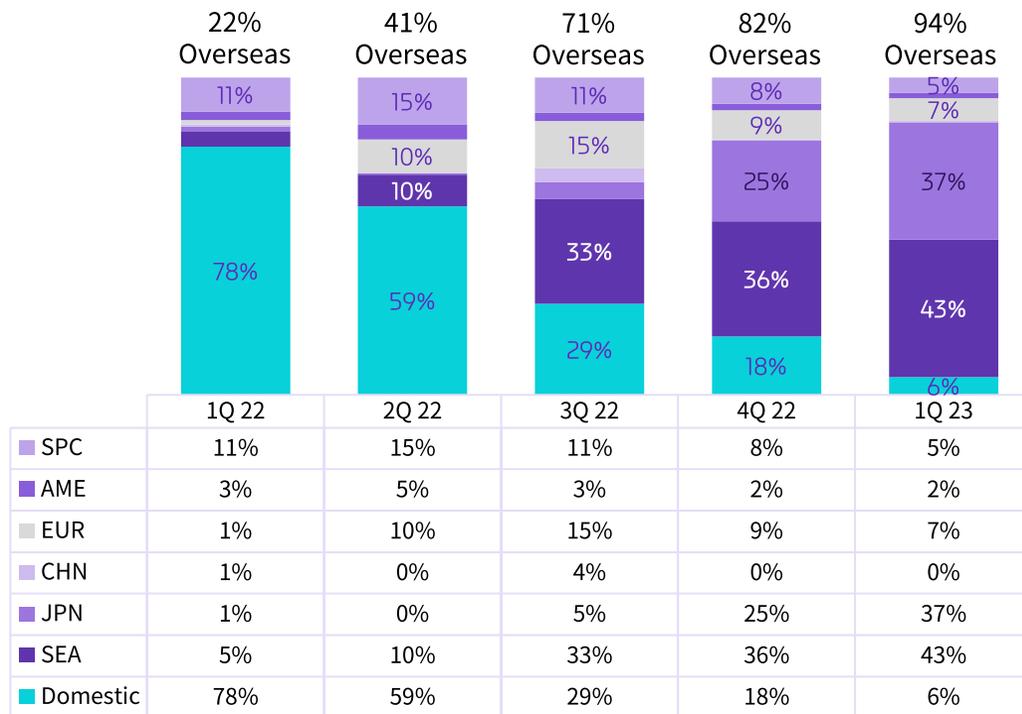


Regional Distribution of Package Tours

- As of Q1 2023, the proportion of overseas package tours based on the number of customers was 94%, an increase from the previous quarter's 82%. Southeast Asia and Japan accounted for 43% and 37%, respectively, driving overall growth in outbound tourism demand for nearby destinations.
- Based on GMV, the proportion of overseas package tours was 98%, with Southeast Asia ranking first at 39% among all regions, followed by Japan and Europe at 28% and 20%, respectively.

Customer Breakdown By Region

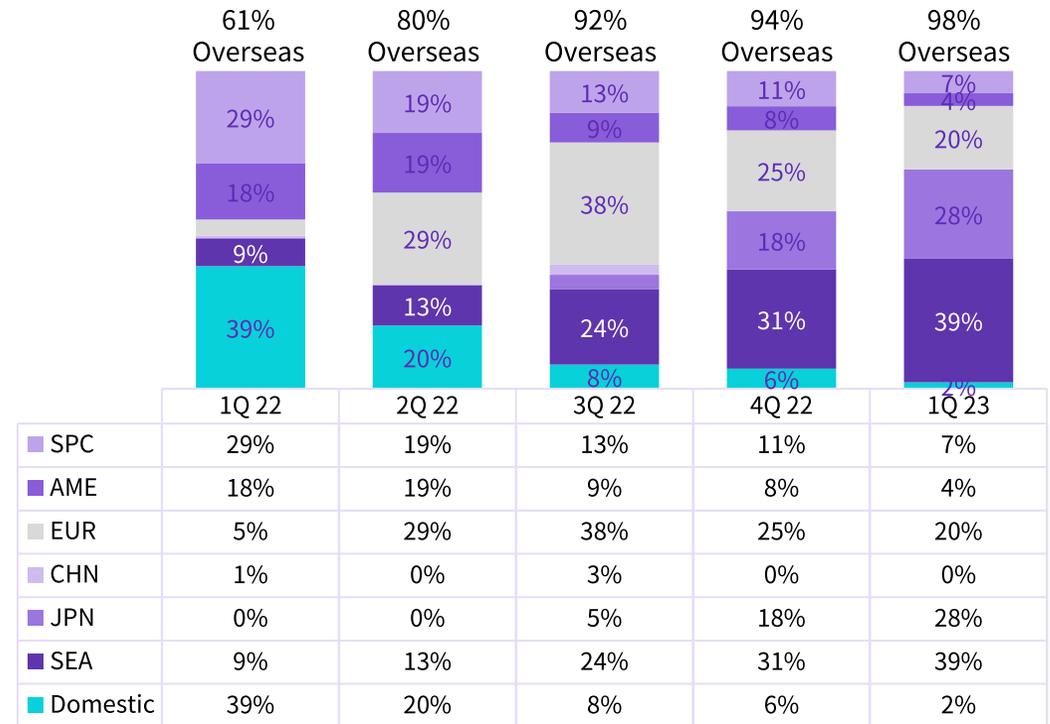
1Q 22 ~ 1Q 23, %



(Source: Hanatour)

GMV Breakdown By Region

1Q 22 ~ 1Q 23, %



(Source: Hanatour)

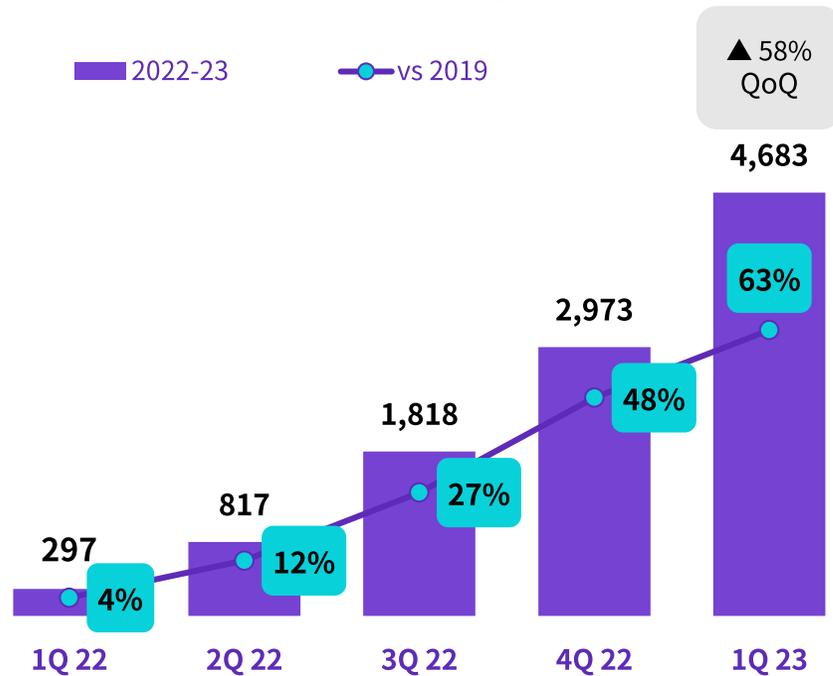


Outbound Traveler Trends

- The increase in outbound tourism demand drove the overall growth of outbound travelers.
- In Q1, the total number of outbound travelers from South Korea increased by 58% QoQ and recovered to a level of 63% compared to Q1 2019 before the pandemic.
- In Q1, our company's total number of outbound travelers increased by 41% QoQ and recovered to a level of 35% compared to Q1 2019.

Korea's Outbound Travelers (vs 2019)

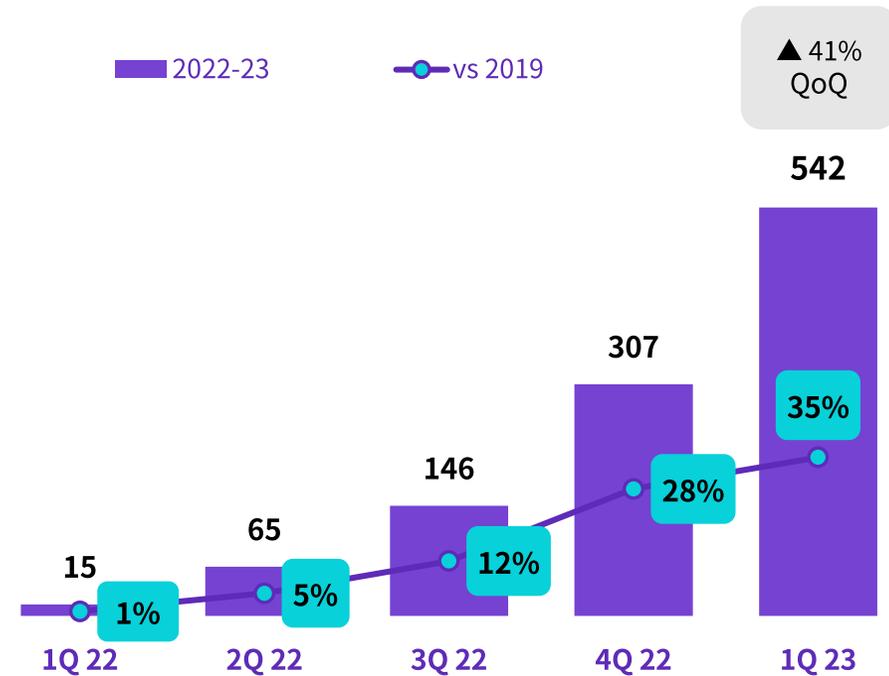
1Q 22 ~ 1Q 23, thousand people(Excl. flight crews), %



(Source : Ministry of Justice of Korea)

Hanatour's Outbound Travelers (vs 2019)

1Q 22 ~ 1Q 23, thousand people, %



(Source : Hanatour)

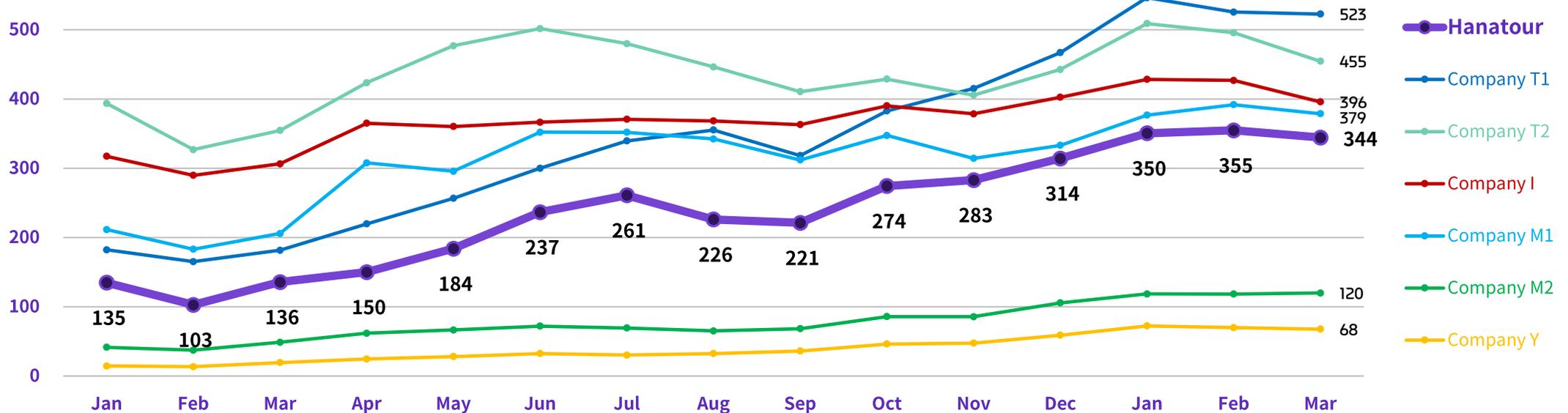


Mobile App User Trends

- In Q1, our mobile app had an average of 350,000 monthly active users (MAU), representing a 182% YoY increase and a 21% QoQ increase.
- According to Mobile Index, a mobile app market statistics company, Hanatour ranked 5th in the comprehensive travel agency category for MAU. The gap between the 3rd and the 4th companies are narrowed as the market recovers.
 - » The increase in mobile app users is attributed to 1)the recovery of travel demand, 2)improvements in convenience and usability through self-developed app, and 3)the enhancement of various unique travel-related contents.
- The upcoming launch of "Local Chat (tentative name)" in the first half of the year is expected to drive sustained user growth in the future.

MAU Trend for Our Mobile App

JAN 2022 ~ MAR 2023, Mobile Index - Comprehensive Travel Agency Category, thousand people



(Source: Mobile Index)



Statement of financial position

(Unit : B KRW)

Consolidated

	2021	2022	2023 1Q(P)
Current Assets	166.2	270.5	301.6
Non-current Assets	264.4	184.9	194.6
Total Assets	430.6	455.4	496.2
Current Liabilities	172.5	232.8	253.0
Non-current Liabilities	200.3	123.0	135.4
Total Liabilities	372.8	355.7	388.4
Capital	7.0	8.0	8.0
Other Contributed Capital	29.9	132.9	132.9
Components of Other Capital	1.9	2.6	2.3
Retained Earnings	46.5	-20.3	-12.2
Non-controlling Interests	-27.6	-23.6	-23.1
Total Equity	57.8	99.7	107.8
Total Liabilities And Equity	430.6	455.4	496.2

Separate

	2021	2022	2023 1Q(P)
Current Assets	86.2	202.5	231.7
Non-current Assets	128.6	115.8	123.9
Total Assets	214.8	318.3	355.6
Current Liabilities	92.1	162.5	181.5
Non-current Liabilities	2.2	5.9	16.6
Total Liabilities	94.3	168.3	198.1
Capital	7.0	8.0	8.0
Other Contributed Capital	16.5	119.5	119.5
Components of Other Capital	0.0	0.0	0.0
Retained Earnings	97.1	22.5	30.0
Total Equity	120.5	150.0	157.5
Total Liabilities And Equity	214.8	318.3	355.6



Profit & Loss

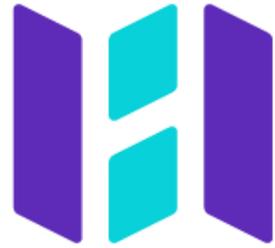
(Unit : B KRW)

Consolidated

	1Q 21	2Q 21	3Q 21	4Q 21	FY 21	1Q 22	2Q 22	3Q 22	4Q 22	FY 22	1Q 23(P)	FY 23(P)
Operating Revenue	7	8.9	11.5	12.9	40.3	9.8	21.6	37.4	46.1	115	83	83
Operating Expense	48.7	32.8	38	48.1	167.6	39.5	55.3	59.2	62.1	216.2	77.4	77.4
Operating Income	-41.7	-23.9	-26.5	-35.2	-127.3	-29.7	-33.7	-21.8	-16	-101.2	5.6	5.6
Other Income	2.3	3.8	78.5	28.7	113.2	2	15.4	4	25.3	46.6	5.3	5.3
Other Expense	3.4	21.5	3.8	32.5	61.2	1.4	6.3	3.7	2.9	14.3	1.4	1.4
Income(loss) Before Income Taxes	-42.8	-41.7	48.1	-39	-75.3	-29.1	-24.6	-21.6	6.4	-68.9	9.5	9.5
Income Taxes	0	0.4	0.1	-5.2	-4.8	0.2	-0.5	0.6	-4.4	-4.1	0.2	0.2
Net Income(loss)	-43.2	-42.3	49.4	-34.3	-70.4	-29.2	-24	-22.2	10.8	-64.6	9.4	9.4
Owners of The Parent Company	-38	-39.3	50.3	-17	-44	-26.5	-28.3	-20.9	8.8	-66.8	8	8
Non-controlling Interests	-5.3	-3	-0.9	-17.3	-26.5	-2.7	4.2	-1.3	2	2.2	1.5	1.5

Separate

	1Q 21	2Q 21	3Q 21	4Q 21	FY 21	1Q 22	2Q 22	3Q 22	4Q 22	FY 22	1Q 23(P)	FY 23(P)
Operating Revenue	2	2.8	2.3	3.7	10.8	2.6	10	23.3	30.4	66.3	65.4	65.4
Operating Expense	34.3	19.4	23.5	31.1	108.3	26.5	40.9	43.8	45.6	156.8	61.9	61.9
Operating Income	-32.3	-16.6	-21.2	-27.5	-97.5	-23.9	-30.9	-20.5	-15.2	-90.5	3.6	3.6
Other Income	1.5	3.3	77.3	2.6	84.7	2.6	1.5	3.4	24.9	32.4	5.2	5.2
Other Expense	1.5	6.4	4.7	18	30.7	0.4	4.1	0.7	14.4	19.6	1.2	1.2
Income(loss) Before Income Taxes	-32.3	-19.7	51.3	-42.8	-43.5	-21.6	-33.5	-17.8	-4.7	-77.7	7.5	7.5
Income Taxes	-0.1	0.1	0	-4.8	-4.8	0	-0.2	0	-2.9	-3.1	0	0
Net Income(loss)	-32.3	-19.8	51.3	-38	-38.7	-21.6	-33.3	-17.8	-1.9	-74.6	7.5	7.5



Hanatour